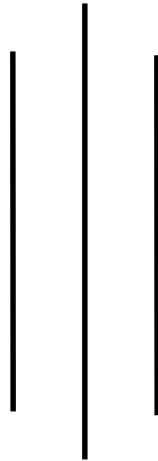


Cash Dividend Practice & Its Impact on Share Prices in Nepal

By



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**A Thesis Submitted to Office of Dean
Faculty of Management
Tribhuvan University
Kathmandu, Nepal**

**In partial fulfillment of the requirement of the degree of
Master of Business Studies (MBS)**

March, 2009

RECOMMENDATION

This is to certify that the thesis submitted

by

Hari Shankar Prasad Sah

Entitled

**Cash Dividend Practice & Its Impact on Share
Prices in Nepal**

has been approved by this Department in the prescribed format of Faculty of Management.

This thesis is forwarded for examination.

Rishi Raj Gautam
(Thesis Supervisor)

Kamal Deep Dhakal
(Campus Chief)

VIVA – VOCE SHEET

We have conducted the viva voice examination of thesis presented

by

Hari Shankar Prasad Sah

Entitled

Cash Dividend Practice & Its Impact on Share Prices in Nepal

And found the thesis to be original work of the student written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for

Master of Business Studies (M.B.S.)

Viva-Voce Committee

Head of Research Department :

Member (Thesis Supervisor) :

Member (External Expert) :

Date:

Tribhuvan University
Faculty of Management
Shankar Dev Campus

DECLARATION

I hereby declare that this thesis entitled “Cash Dividend Practice & Its Impact on Share Prices in Nepal” is submitted to Office of Dean, Faculty of Management, Tribhuvan University is, my original work done in the form of partial fulfillment of the requirement of Master of Business Studies (MBS) under the guidance and supervision of Rishi Raj Gautam, Shankar Dev Campus

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Hari Shankar Prasad Sah

Researcher

Abbreviations

AFCL	Annapurna Finance Company Limited
AGM	Annual General Meeting
A.M.	Arithmetic Mean
AVOVA	Analysis of Variance
BDFI	Business Development & Financial Institution
BNL	Bottlers Nepal Limited
BOD	Board of Directors
BRFSCL	Bhajuratna Finance & Saving Company Ltd.
CBs	Commercial Banks
CBBL	Chimeki Bikas Bank Ltd.
CDND	Cash Dividend Not Declared
CHPCL	Chileme Hydropower Company Ltd.
C.V.	Coefficient of Variation
DevBs	Development Banks
DCBL	Development Credit Bank Limited
DPS	Dividend per Share
EBL	Everest Bank Limited
EFCL	Everest Finance Company Ltd.

EPS	Earning per Share
EIC	Everest Insurance Company
Et.al	and others <i>Latin: et aili</i>
FCs	Finance Companies
F/Y	Fiscal Year
GON	Government of Nepal
Govt.	Government
HBL	Himalayan Bank Limited
HGIC	Himalayan General Insurance Company
HPC	Hydropower Companies
ICs	Insurance Companies
IPOs	Initial Public Offerings
Ltd.	Limited
mfg. & pc	Manufacturing and Processing
MPS	Market Price per Share
MSC	Mean sum of square between columns
MSE	Mean sum of square between samples errors
Nabil	Nabil Bank Limited
NEPSE	Nepal Stock Exchange
NIBL	Nepal Investment Bank Limited
NIC	Nepal Insurance Company

NLIC	Nepal Life Insurance Company
NRB	Nepal Rastra Bank
NSBIBL	Nepal SBI Bank Limited
Rs.	Nepalese Rupees
SBBL	Sahayogi Bikas Bank Ltd.
SABBL	Sanima Bikas Bank Ltd. (previously Sanima Bikas Bittaya Sanstha Ltd.)
SCB (N) L	Standard Chartered Bank (Nepal) Limited
S.D.	Standard Deviation
SEBON	Securities Board of Nepal
SEC	Securities Exchange Centre
SSC	Sum of square between samples
SMC	Securities Marketing Centre
SSE	Sum of square within samples errors
UNL	Unilever Nepal Ltd.
%	Percent